

FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

AUDREY L. BRODRICK
(312) 252-1518
abrodick@fletcher-sippel.com

245638

May 2, 2018

VIA ELECTRONIC FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings
May 2, 2018
Part of
Public Record

Re: **Docket No. FD 36194**
Progressive Rail Incorporated -- Continuance in
Control Exemption – Chicago Junction Railway Company, LLC

Dear Ms. Brown:

Attached for filing in the above-captioned proceeding is the **Verified Notice of Exemption of Progressive Rail Incorporated Pursuant to 49 C.F.R. § 1180.2(d)(2)**, dated May 2, 2018. A check in the amount of \$1,500, representing the appropriate fee for this filing, has been delivered to your office today by overnight courier.

If you have any questions regarding this filing, please feel free to contact me.
Thank you for your assistance on this matter.

Respectfully submitted,



Audrey L. Brodrick
Attorney for Progressive Rail Incorporated

FEE RECEIVED
May 2, 2018
SURFACE
TRANSPORTATION BOARD
ALB/tjl

Attachment

FILED
May 2, 2018
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36194

PROGRESSIVE RAIL INCORPORATED
-- CONTINUANCE IN CONTROL EXEMPTION --
CHICAGO JUNCTION RAILWAY COMPANY, LLC

**VERIFIED NOTICE OF EXEMPTION
OF
PROGRESSIVE RAIL INCORPORATED
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Thomas J. Litwiler
Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
PROGRESSIVE RAIL INCORPORATED**

Dated: May 2, 2018

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36194

PROGRESSIVE RAIL INCORPORATED
-- CONTINUANCE IN CONTROL EXEMPTION --
CHICAGO JUNCTION RAILWAY COMPANY, LLC

**VERIFIED NOTICE OF EXEMPTION
OF
PROGRESSIVE RAIL INCORPORATED
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Progressive Rail Incorporated ("PGR"), a Class III rail carrier, hereby files this notice of exemption under 49 C.F.R. § 1180.2(d)(2) to continue in control of Chicago Junction Railway Company, LLC ("CJR") once CJR leases rail lines and becomes a common carrier. CJR is a non-carrier entity, wholly owned by PGR, that will lease from the Union Pacific Railroad Company ("UP") and operate rail lines in the Elk Grove Village, Illinois area, including in an industrial park ("the Lines"), a distance of approximately 25 miles. CJR is concurrently filing a notice of exemption pursuant to 49 C.F.R. § 1150.31(a)(3) to lease and operate the Lines. See Docket No. FD 36193, Chicago Junction Railway Company, LLC -- Change in Operators Exemption Including Interchange Commitment -- Chicago Terminal Railroad Company.

The rail lines to be leased by CJR do not connect with the lines of PGR or of the other five Class III rail carriers controlled by PGR, and this control transaction is not part of a series of anticipated transactions that would result in such a connection. Nor does this proposed control transaction involve a Class I carrier. PGR's continuance in control of CJR is accordingly exempt under 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), PGR submits the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

PGR is a Class III rail common carrier which owns or operates rail lines in Minnesota, Wisconsin, and Illinois, See, e.g., Progressive Rail, Incorporated -- Lease and Operation Exemption -- Rail Lines of Wisconsin Central Ltd., Docket No. FD 34600 (STB served November 12, 2004); Progressive Rail Incorporated -- Acquisition and Operation Exemption -- Rail Lines of Crab Orchard & Egyptian Railroad Company, Docket No. FD 35656 (STB served September 21, 2015). PGR also controls five other Class III railroads that operate in Minnesota, Missouri, Iowa, and North Carolina, respectively. See Progressive Rail Inc. -- Intra-Corporate Family Transaction Exemption -- Airlake Terminal Railway Company, LLC, Docket No. FD 35168 (STB served November 28, 2008); Progressive Rail Inc. -- Acquisition of Control Exemption -- Central Midland Railway Company, Docket No. FD 35051 (STB served July 5, 2007); Progressive Rail Incorporated -- Continuance in Control Exemption -- Iowa Traction Railway Company, Docket No. FD 35671 (STB served September 14, 2012); Progressive Rail Inc. -- Continuance in Control Exemption -- Iowa Southern Railway Company, Docket No. FD 36051 (STB served July 29, 2016), and Progressive Rail Inc. -- Continuance in Control Exemption -- Piedmont & Northern Railroad LLC, Docket No. FD 36121 (STB served May 31, 2017).

CJR is a new entity owned by PGR which will lease and operate the Lines in Elk Grove Village, Illinois. The rail lines of PGR and PGR's existing rail carrier subsidiaries, on the one hand, and CJR, on the other, will not connect. PGR proposes to exercise common control of

CJR and its existing rail carrier subsidiaries once CJR acquires authority to lease the Lines pursuant to exemption in Docket No. FD 36193 and becomes a rail carrier.

The full name and address of the Applicant herein is:

Progressive Rail Incorporated
21778 Highview Avenue
Lakeville, Minnesota 55044

Any questions concerning this Notice should be sent to the representative of PGR at the following address:

Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

PGR intends to consummate the proposed continuance in control transaction on June 1, 2018, concurrently with CJR's lease and operation of the Lines and thirty days after the filing of this notice of exemption. See 49 C.F.R. § 1180.4(g)(1).

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

The exemption sought herein will allow PGR to exercise common control of its existing rail carrier subsidiaries and CJR. In turn, the control exemption will allow CJR to proceed with the lease and operation of the Lines as contemplated in Docket No. FD 36193.

States in Which Property of Applicants is Located: 49 C.F.R. § 1180.6(a)(5)

PGR is a Class III rail carrier and owns or operates rail property in the states of Minnesota, Wisconsin, and Illinois. CJR will lease and operate rail property in the State of

Illinois. The existing rail carrier subsidiaries of PGR own or operate over rail property located in the following states:

Airlake Terminal Railway Company, LLC: Minnesota
Central Midland Railway Company: Missouri
Iowa Traction Railway Company: Iowa
Iowa Southern Railway Company: Iowa
Piedmont & Northern Railroad LLC: North Carolina

Map - Exhibit 1: 49 C.F.R. § 1180.6(a)(6)

Maps of the Lines to be leased by CJR and the rail lines currently operated by PGR and its existing rail carrier subsidiaries are attached hereto as Exhibit 1.

Agreement - Exhibit 2: 49 C.F.R. § 1180.6(a)(7)(ii)

PGR already owns and controls CJR, currently a non-carrier. No additional agreement is contemplated or necessary for PGR to continue in control of CJR once CJR acquires the Line and becomes a carrier.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

Pursuant to 49 U.S.C. § 11326(c), no employee protective conditions may be imposed on this transaction. PGR and its existing railroad subsidiaries are currently Class III rail carriers, and CJR will be a Class III carrier upon its commencement of operations.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

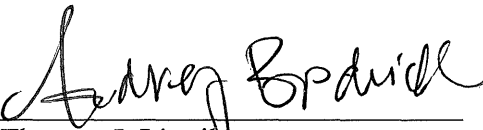
Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. PGR's continuance in control of CJR will not result in significant changes in carrier operations, i.e., changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), the proposed continuance in control also is exempt from historic preservation reporting requirements. That control transaction will not substantially change the level of maintenance of any railroad property.

Interchange Commitments: 49 C.F.R. § 1180.4(g)(4)

The proposed continuance in control transaction does not itself involve the acquisition or operation of a rail line, and thus the provisions of 49 C.F.R. § 1180.4(g)(4) are not applicable. PGR notes that the underlying lease transaction proposed in Docket No. FD 36193 does include a provision relating to CJR's future interchange of traffic with a third-party connecting carrier. CJR has complied with the applicable interchange disclosure requirements in that docket.

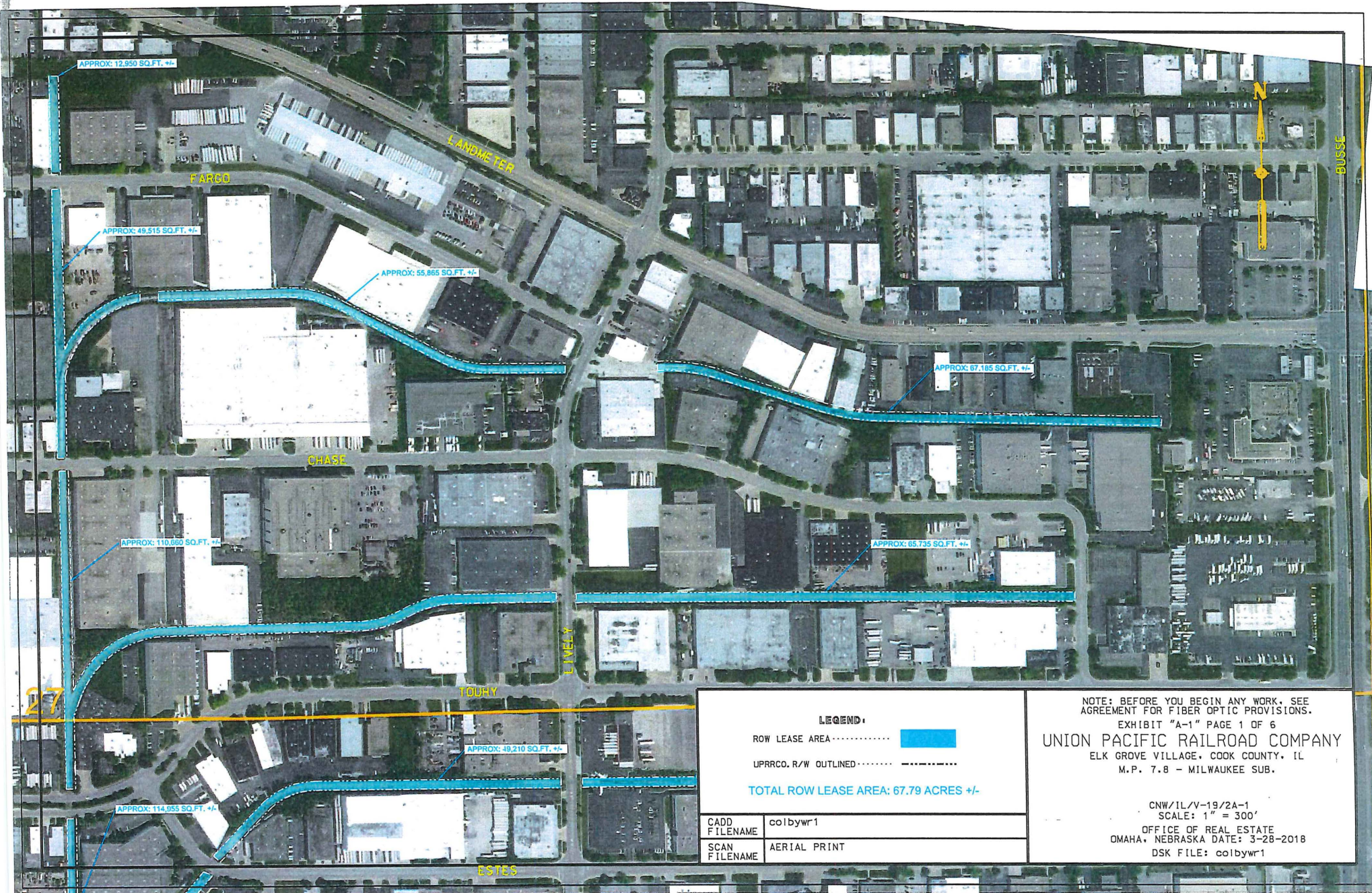
Respectfully submitted,

By: 

Thomas J. Litwiler
Audrey L. Brodrick
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 920
Chicago, Illinois 60606-2832
(312) 252-1500

**ATTORNEYS FOR
PROGRESSIVE RAIL INCORPORATED**

Dated: May 2, 2018



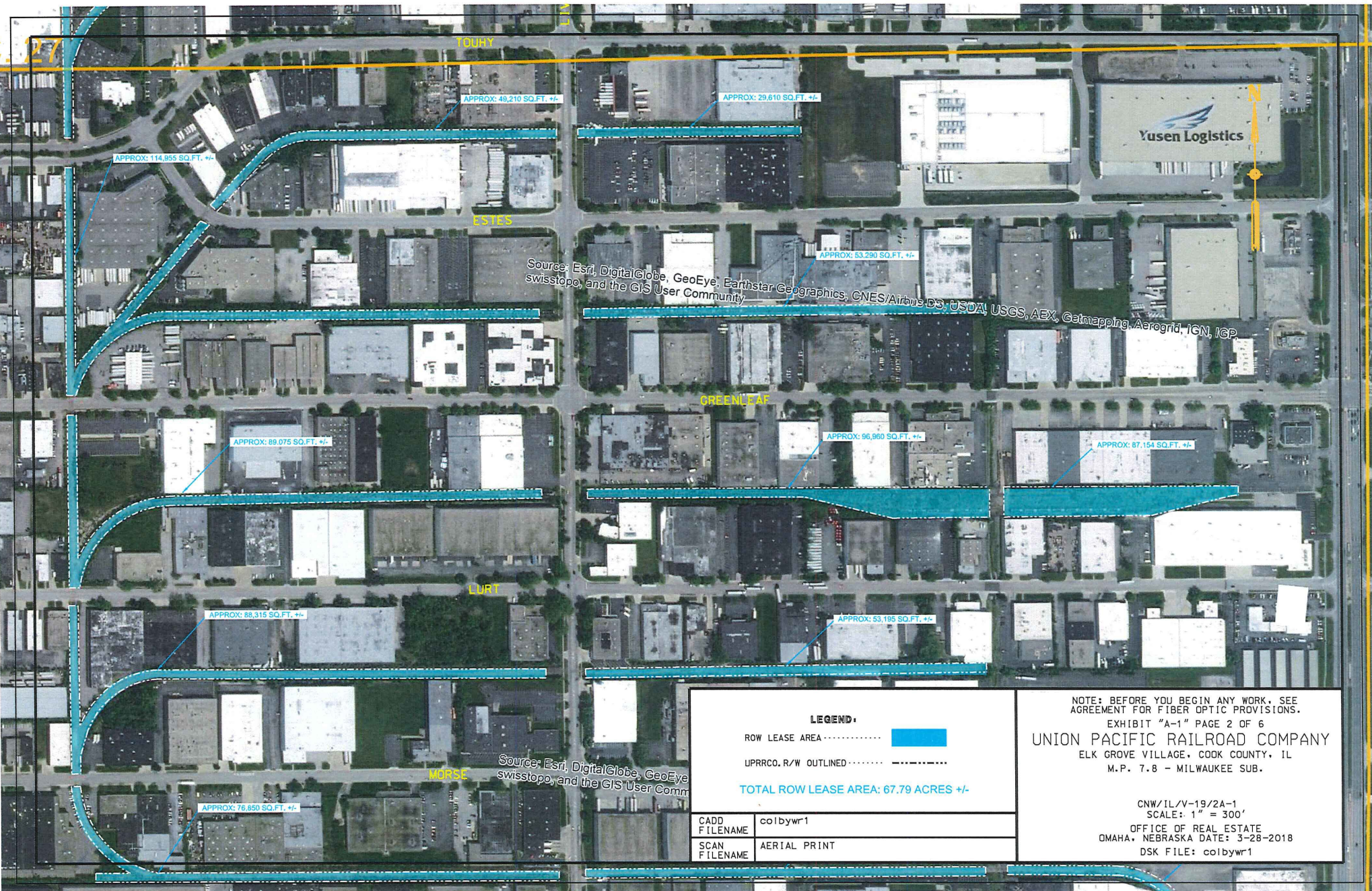
LEGEND:
ROW LEASE AREA.....
UPRRCO. R/W OUTLINED.....
TOTAL ROW LEASE AREA: 67.79 ACRES +/-

CADD FILENAME	colbywr1
SCAN FILENAME	AERIAL PRINT

NOTE: BEFORE YOU BEGIN ANY WORK, SEE
AGREEMENT FOR FIBER OPTIC PROVISIONS.
EXHIBIT "A-1" PAGE 1 OF 6
UNION PACIFIC RAILROAD COMPANY
ELK GROVE VILLAGE, COOK COUNTY, IL
M.P. 7.8 - MILWAUKEE SUB.

CNW/IL/V-19/2A-1
SCALE: 1" = 300'
OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 3-28-2018
DSK FILE: colbywr1

EXHIBIT 1



TOUHY

APPROX: 48,210 SQ.FT. +/-

APPROX: 29,610 SQ.FT. +/-

Yusen Logistics

ESTES

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

APPROX: 53,290 SQ.FT. +/-

GREENLAF

APPROX: 89,075 SQ.FT. +/-

APPROX: 96,960 SQ.FT. +/-

APPROX: 87,154 SQ.FT. +/-

LURT

APPROX: 88,315 SQ.FT. +/-

APPROX: 53,195 SQ.FT. +/-

MORSE

APPROX: 76,850 SQ.FT. +/-

Source: Esri, DigitalGlobe, GeoEye, swisstopo, and the GIS User Comm

LEGEND:

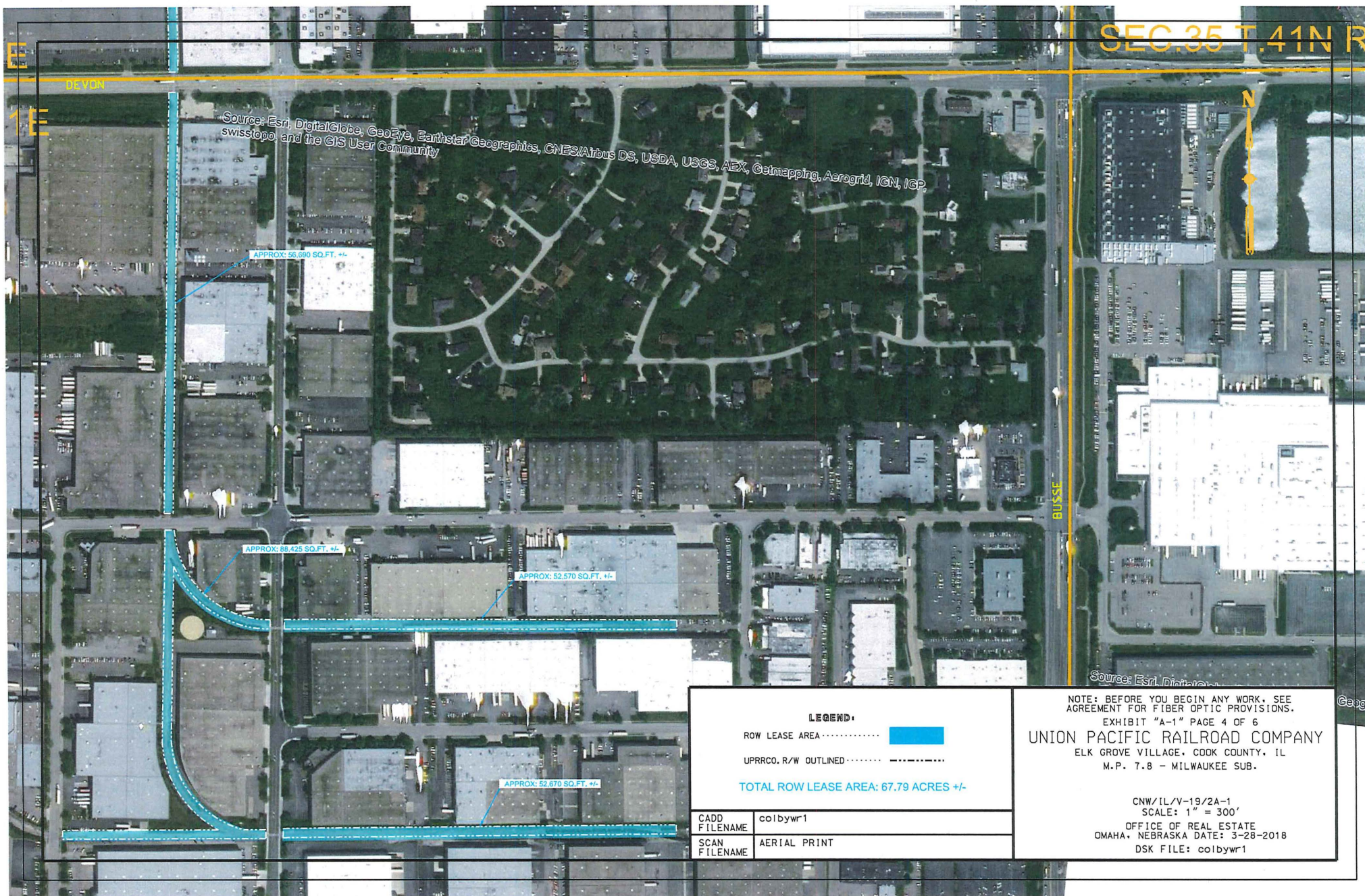
- ROW LEASE AREA
- UPRRCO. R/W OUTLINED

TOTAL ROW LEASE AREA: 67.79 ACRES +/-

CADD FILENAME	colbywr1
SCAN FILENAME	AERIAL PRINT

NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISIONS.
EXHIBIT "A-1" PAGE 2 OF 6
UNION PACIFIC RAILROAD COMPANY
ELK GROVE VILLAGE, COOK COUNTY, IL
M.P. 7.8 - MILWAUKEE SUB.

CNW/IL/V-19/2A-1
SCALE: 1" = 300'
OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 3-28-2018
DSK FILE: colbywr1



LEGEND:

ROW LEASE AREA

UPRGO, R/W OUTLINED

TOTAL ROW LEASE AREA: 67.79 ACRES +/-

CADD
FILENAME
SCAN
FILENAME

colbywr1
AERIAL PRINT

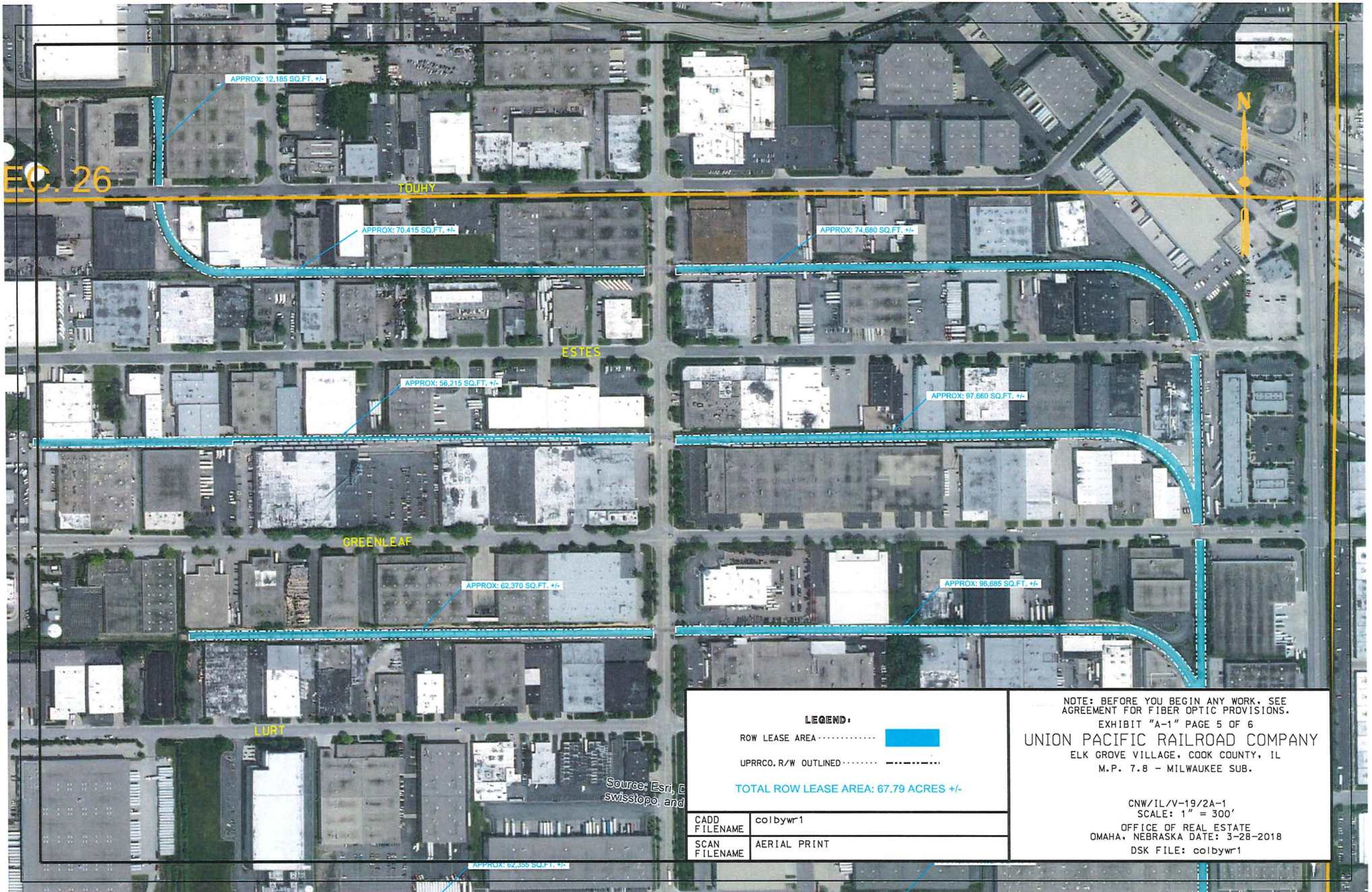
NOTE: BEFORE YOU BEGIN ANY WORK, SEE
AGREEMENT FOR FIBER OPTIC PROVISIONS.
EXHIBIT "A-1" PAGE 4 OF 6

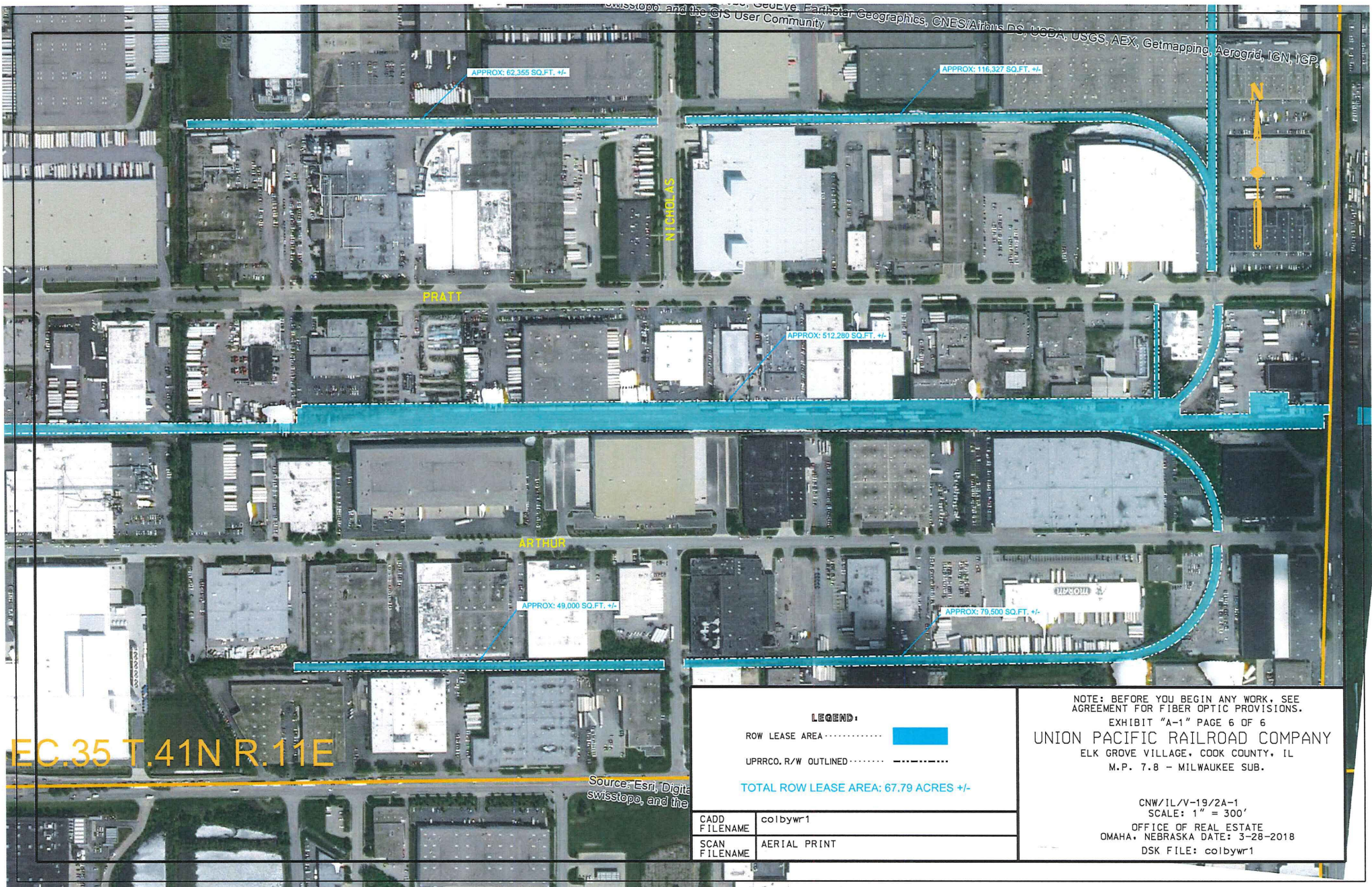
UNION PACIFIC RAILROAD COMPANY
ELK GROVE VILLAGE, COOK COUNTY, IL
M.P. 7.8 - MILWAUKEE SUB.

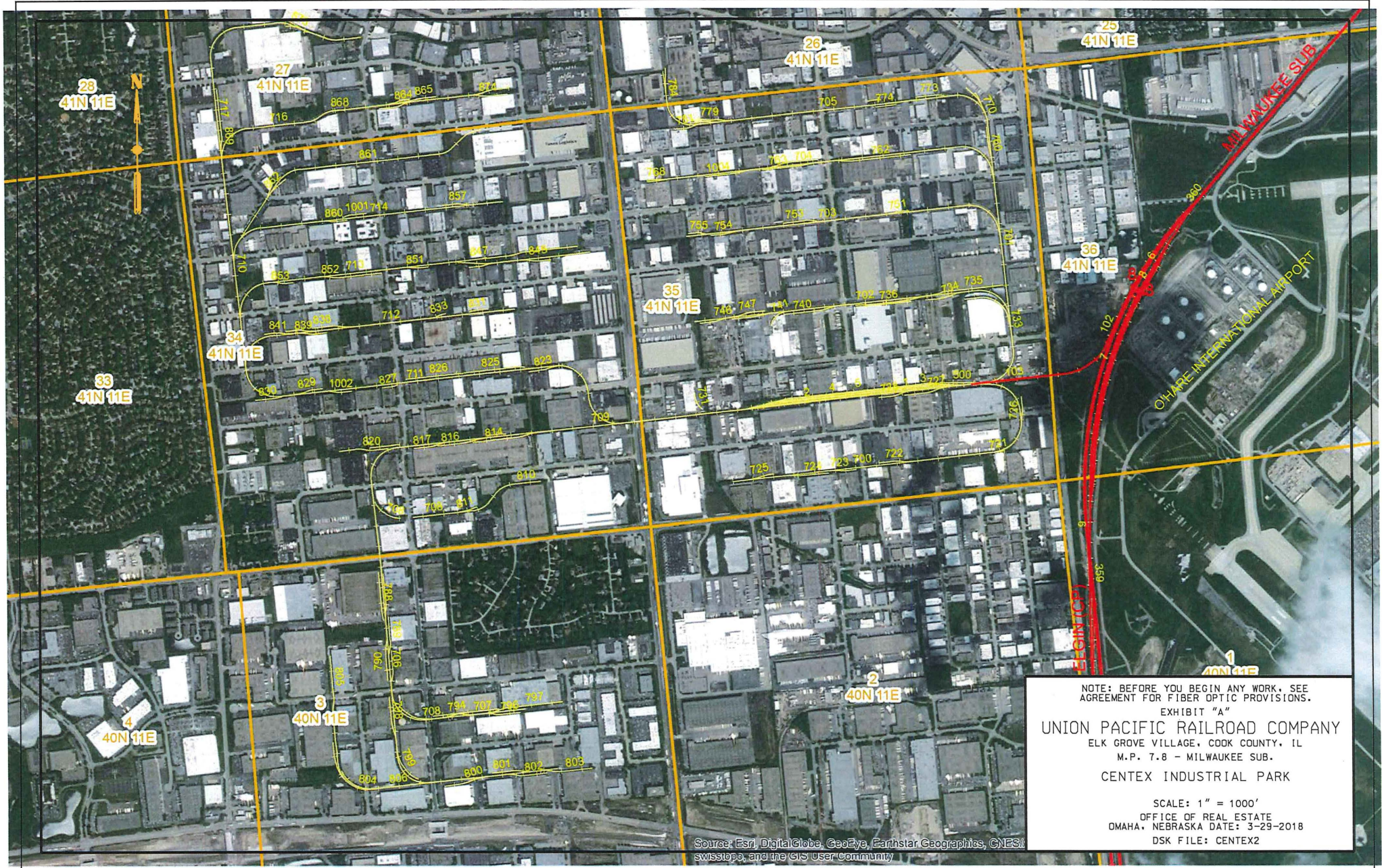
CNW/IL/V-19/2A-1

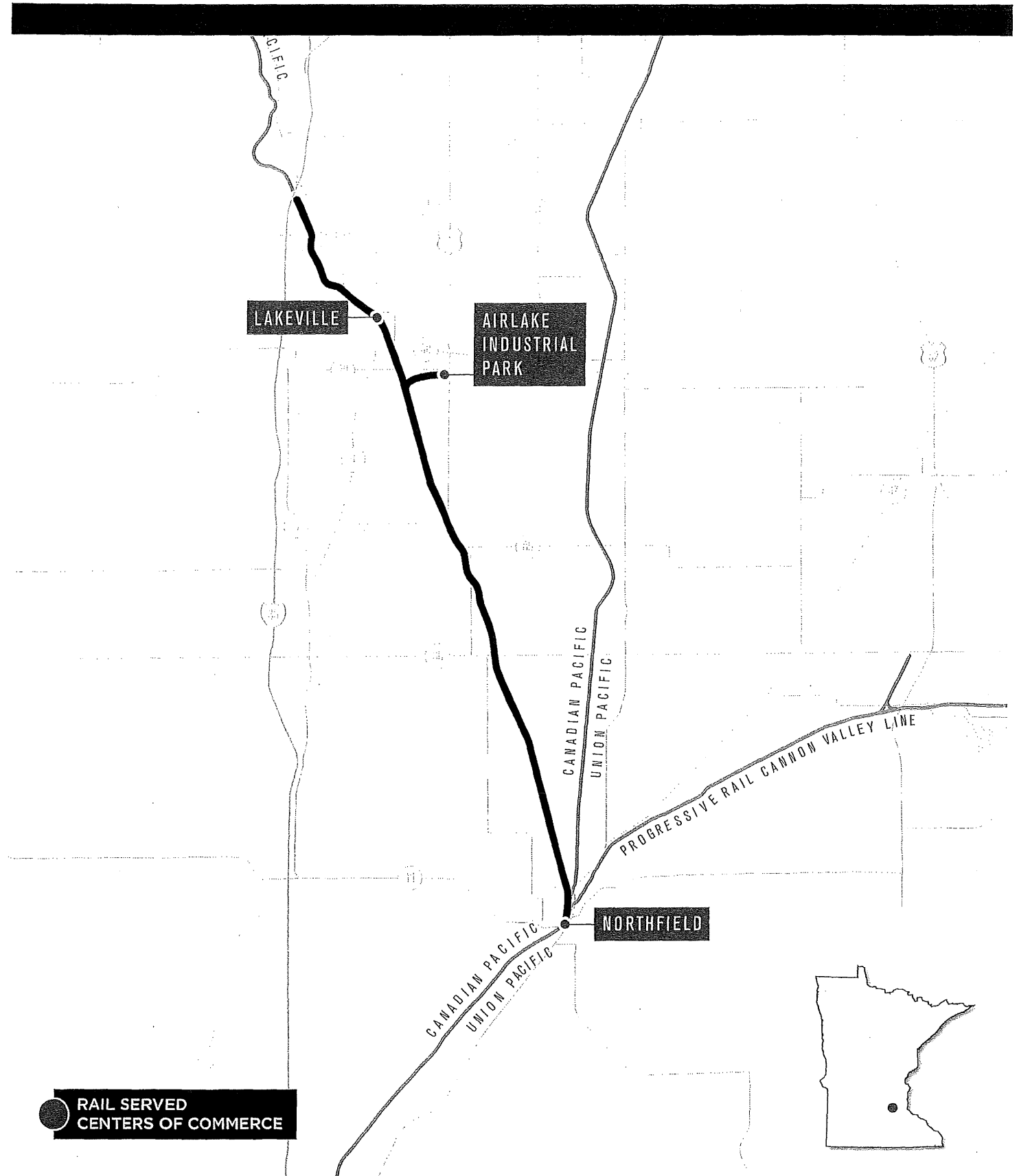
SCALE: 1" = 300'

OFFICE OF REAL ESTATE
OMAHA, NEBRASKA DATE: 3-28-2018
DSK FILE: colbywr1





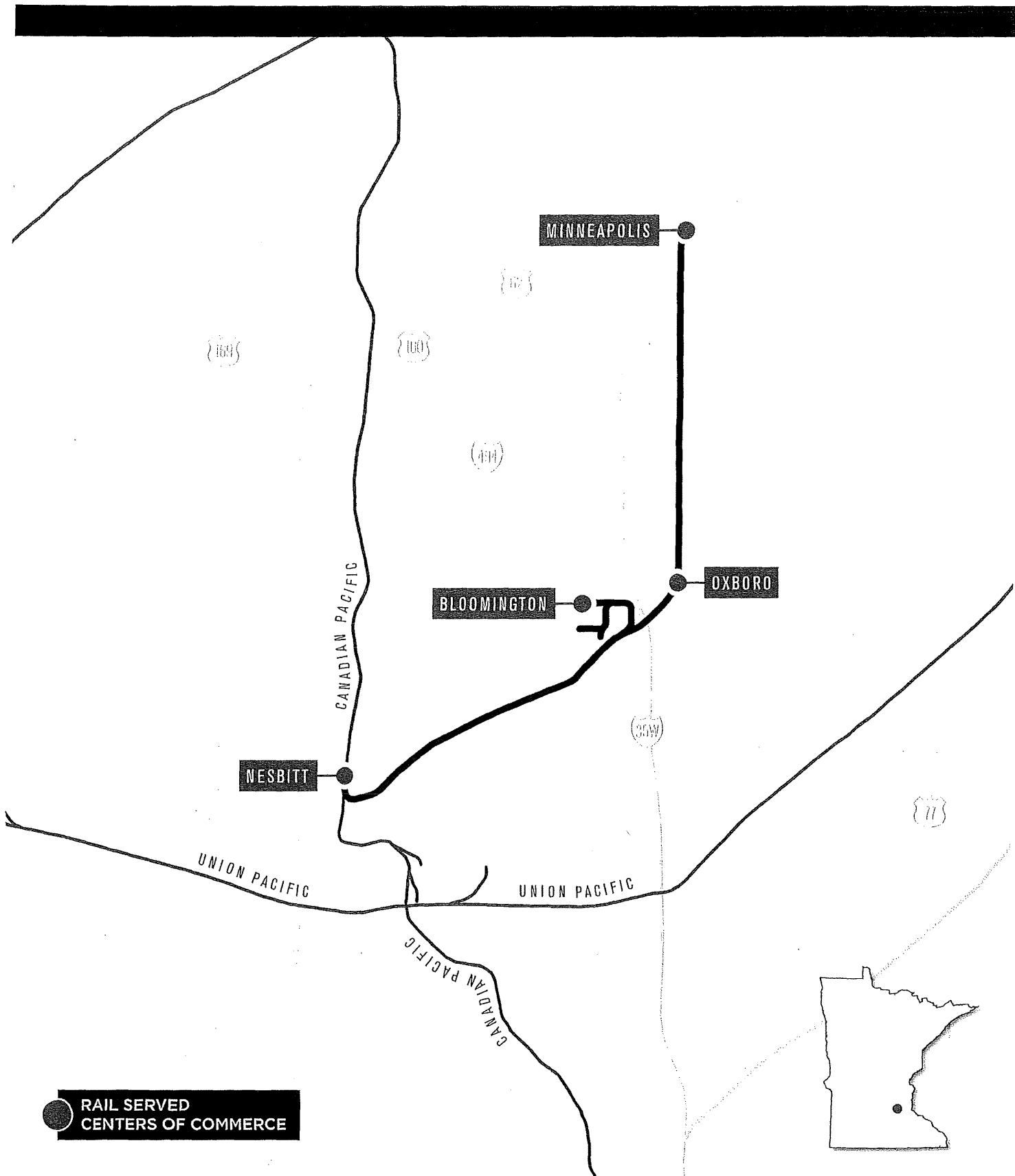




PROGRESSIVE RAIL - JESSE JAMES LINE

Northfield, Minnesota to Lakeville, Minnesota

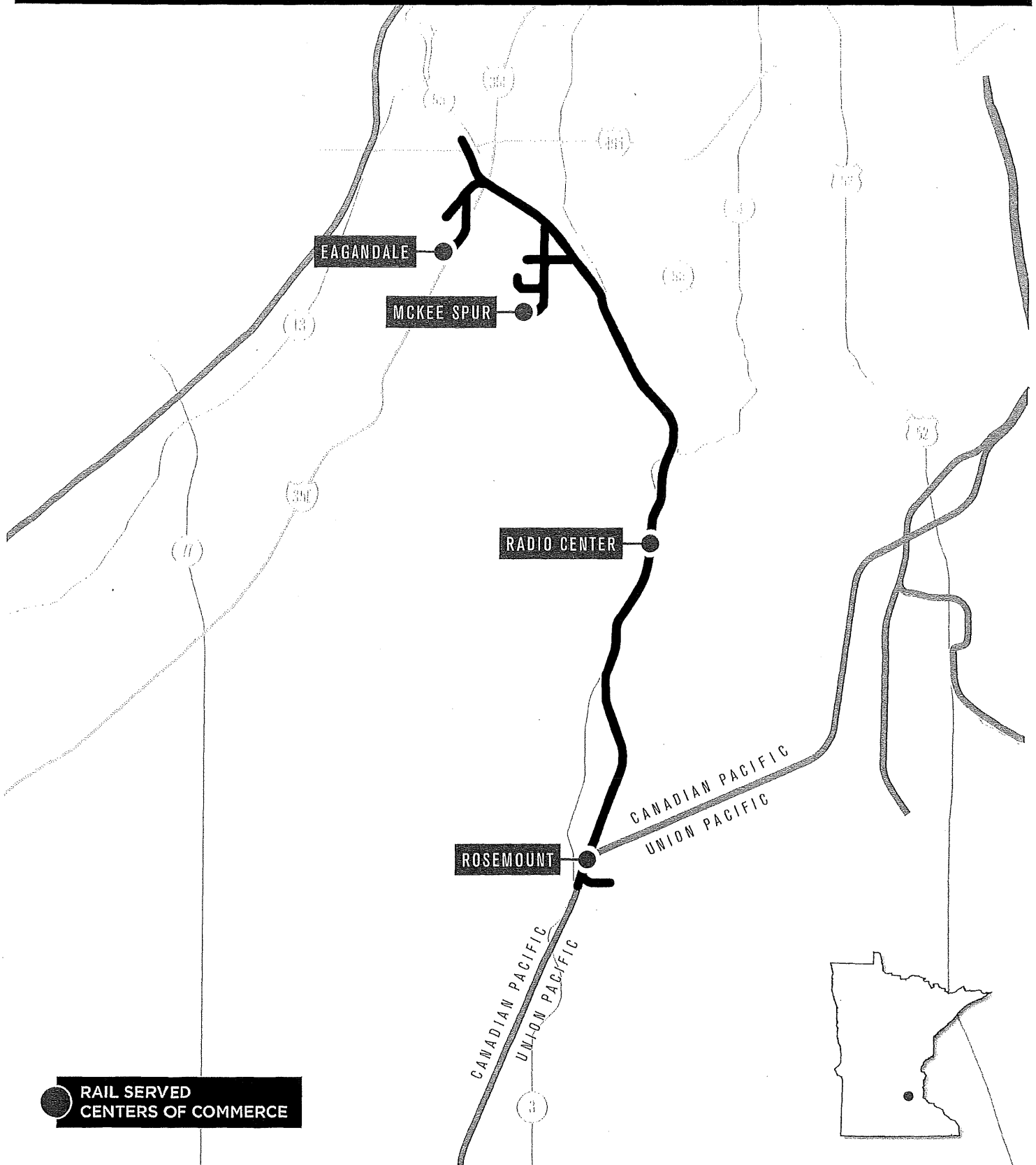




PROGRESSIVE RAIL - DAN PATCH LINE

Bloomington, Minnesota to Minneapolis, Minnesota

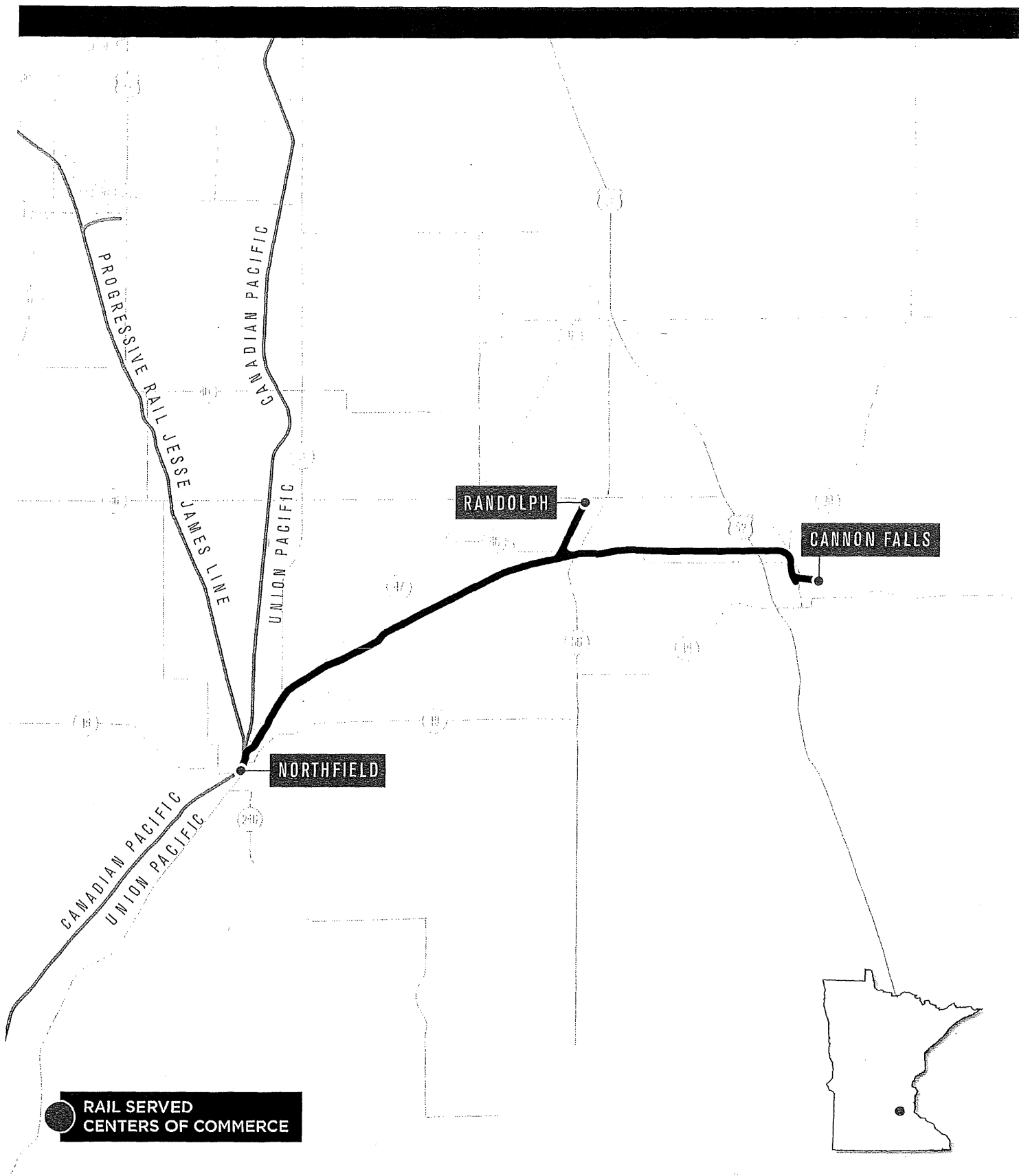




PROGRESSIVE RAIL - EAGANDALE

Rosemount, Minnesota to Eagan, Minnesota

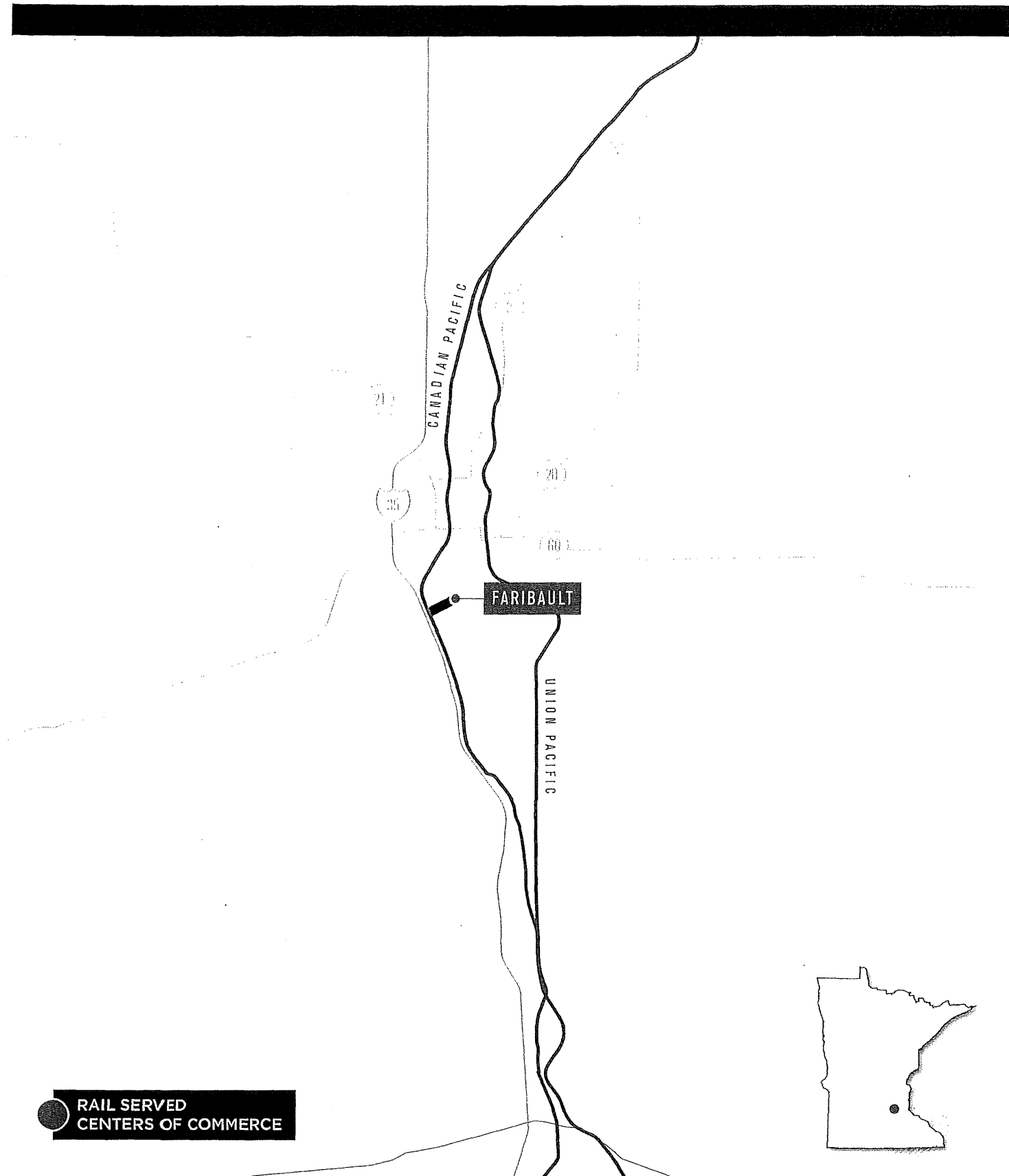




PROGRESSIVE RAIL - CANNON VALLEY LINE

Northfield, Minnesota to Cannon Falls, Minnesota

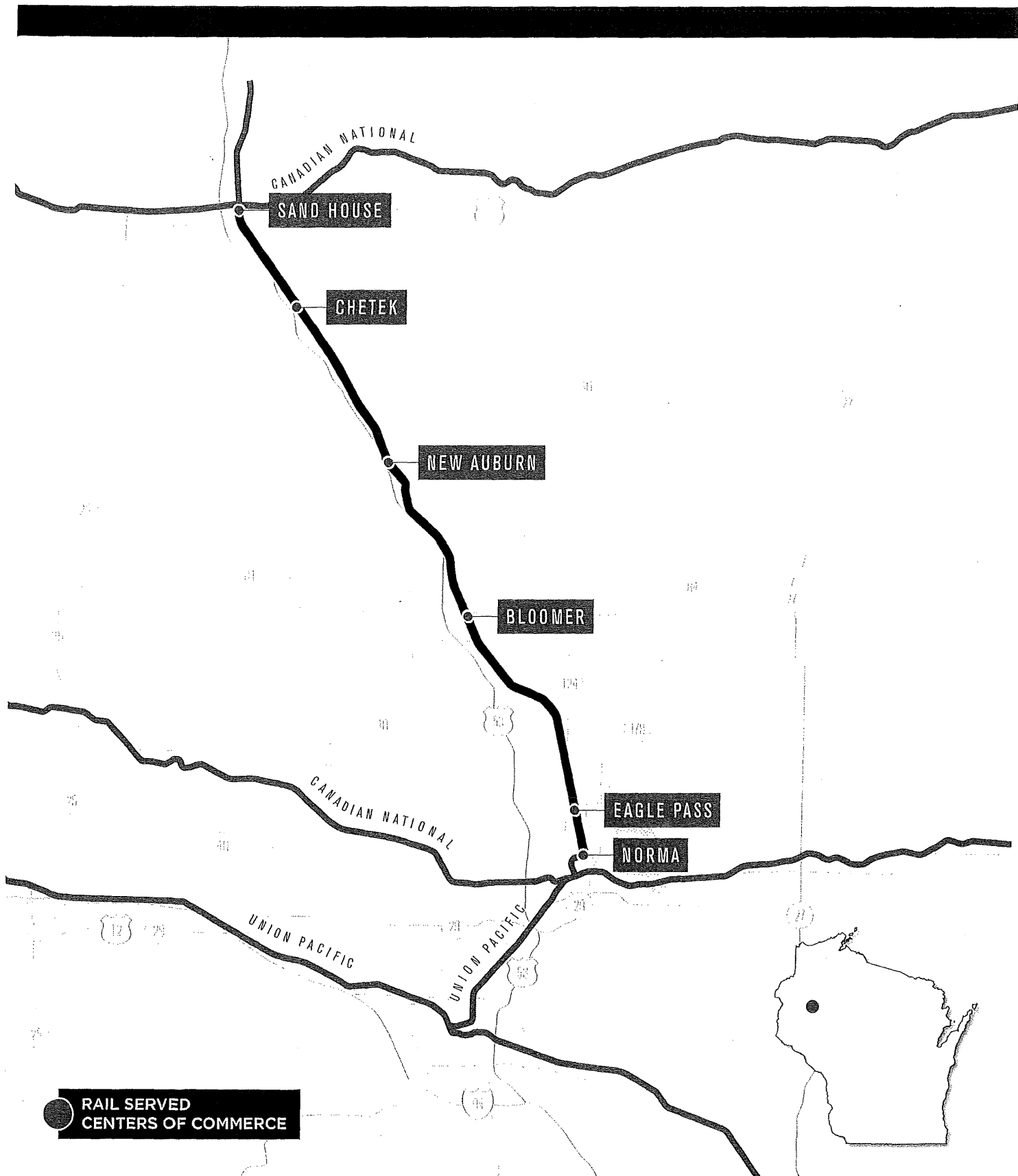




PROGRESSIVE RAIL - FARIBAULT LINE

Faribault, Minnesota

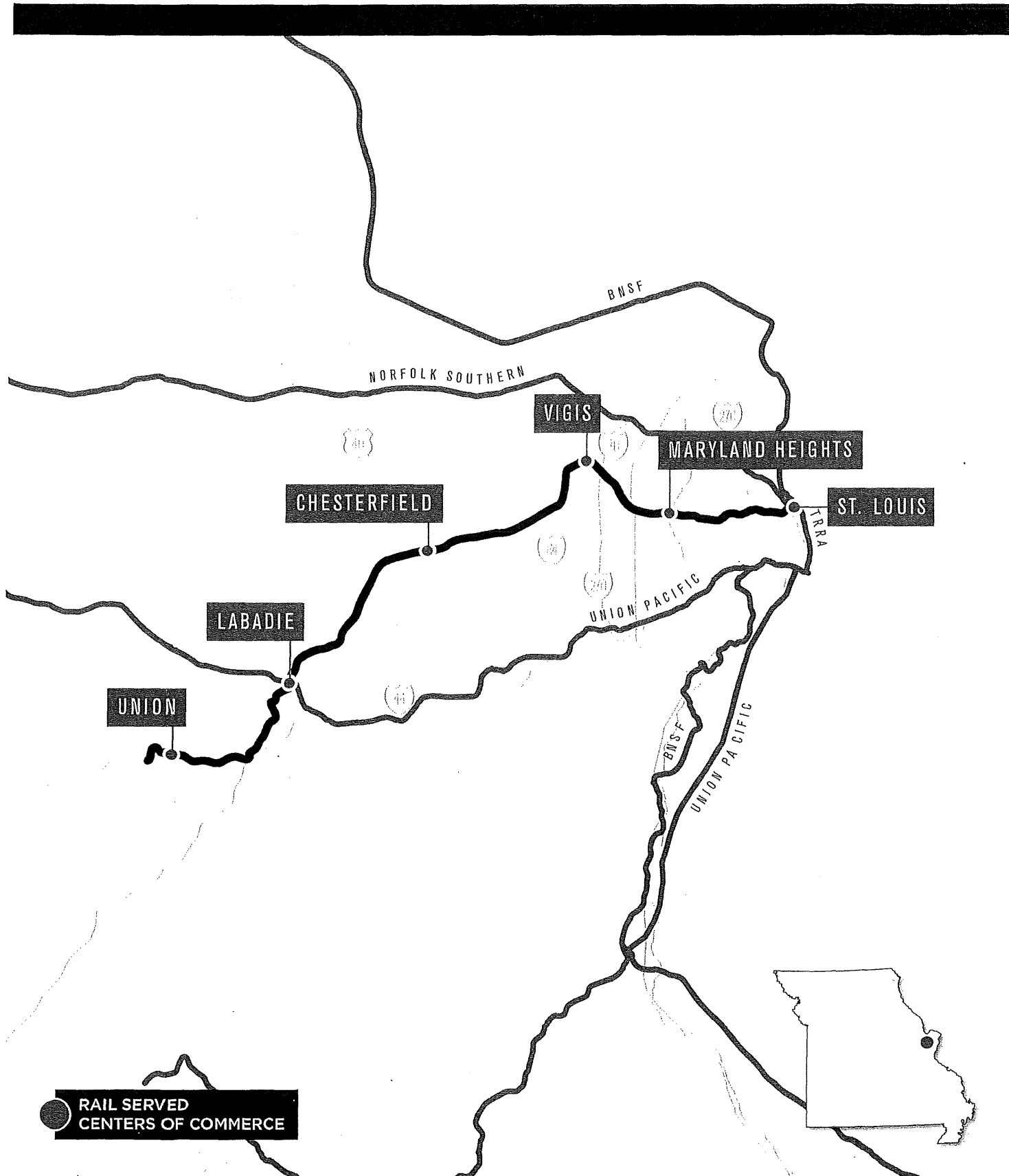




WISCONSIN NORTHERN RAILROAD

Florida, Wisconsin to Cameron, Wisconsin

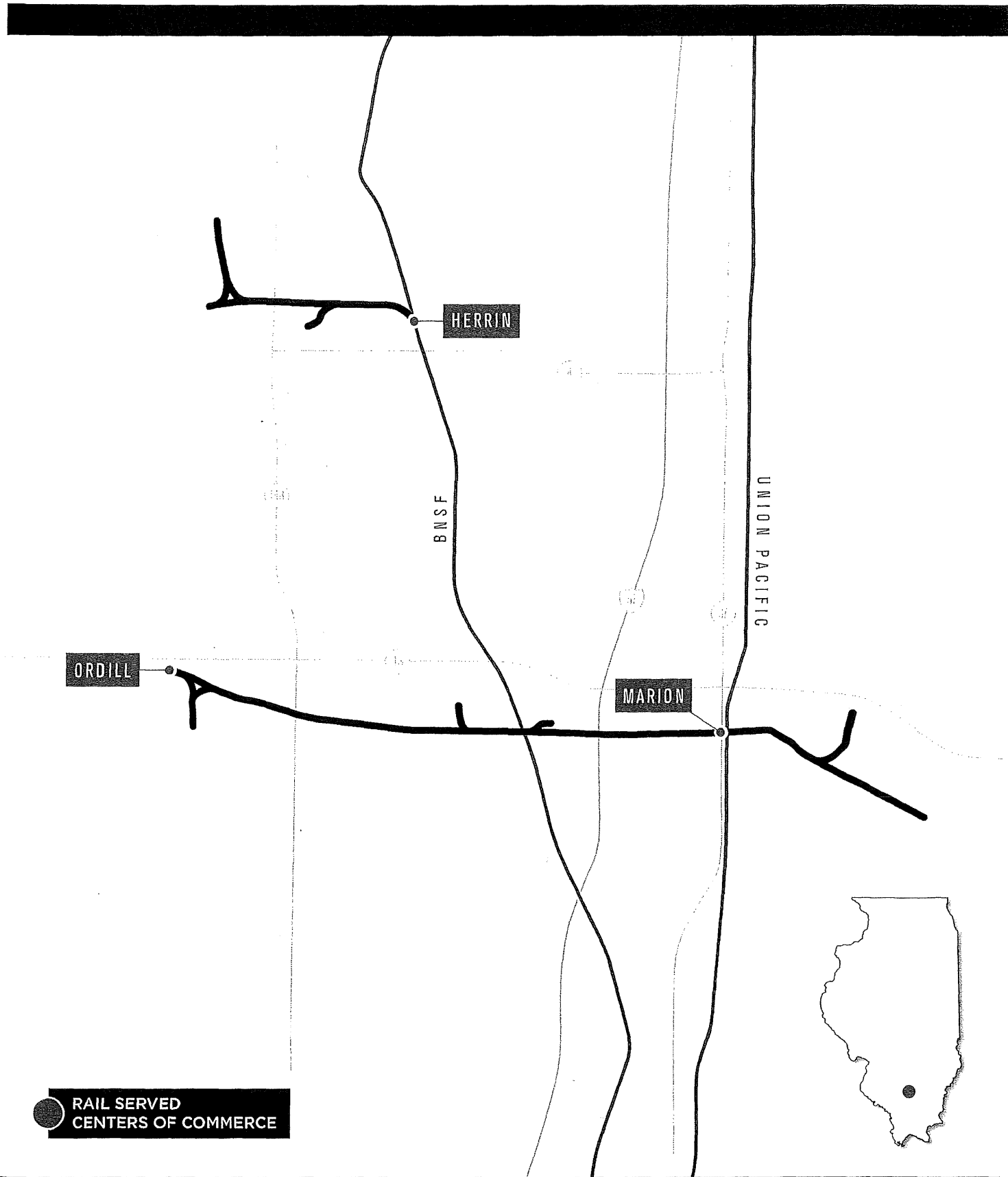




CENTRAL MIDLAND RAILWAY

Union, Missouri to St. Louis, Missouri

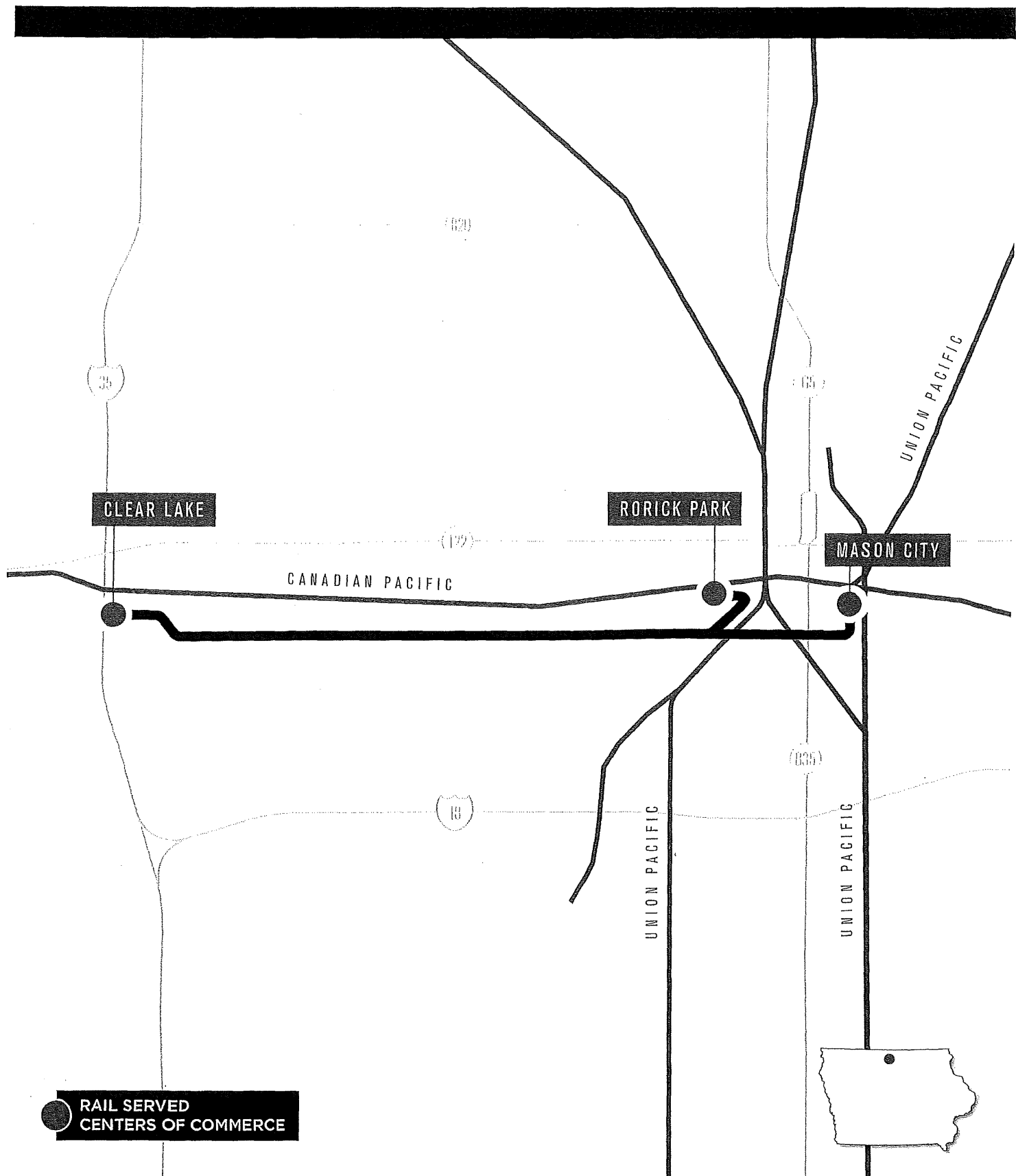




CRAB ORCHARD & EGYPTIAN RAILROAD

From Marion to Ordill, Illinois, and Herrin, Illinois





IOWA TRACTION RAILWAY COMPANY

Clear Lake, Iowa to Mason City, Iowa





PIEDMONT & NORTHERN RAILWAY

Gastonia, North Carolina to Mount Holly, North Carolina

PROGRESSIVE RAIL
INCORPORATED

VERIFICATION

James L. Thornton declares under penalty of perjury under the laws of the United States of America as follows:

I am the Managing Director - Legal and Secretary of Progressive Rail Incorporated. I have read the forgoing Notice of Exemption and know that the facts asserted therein are true as stated.

Executed on May 1, 2018

